

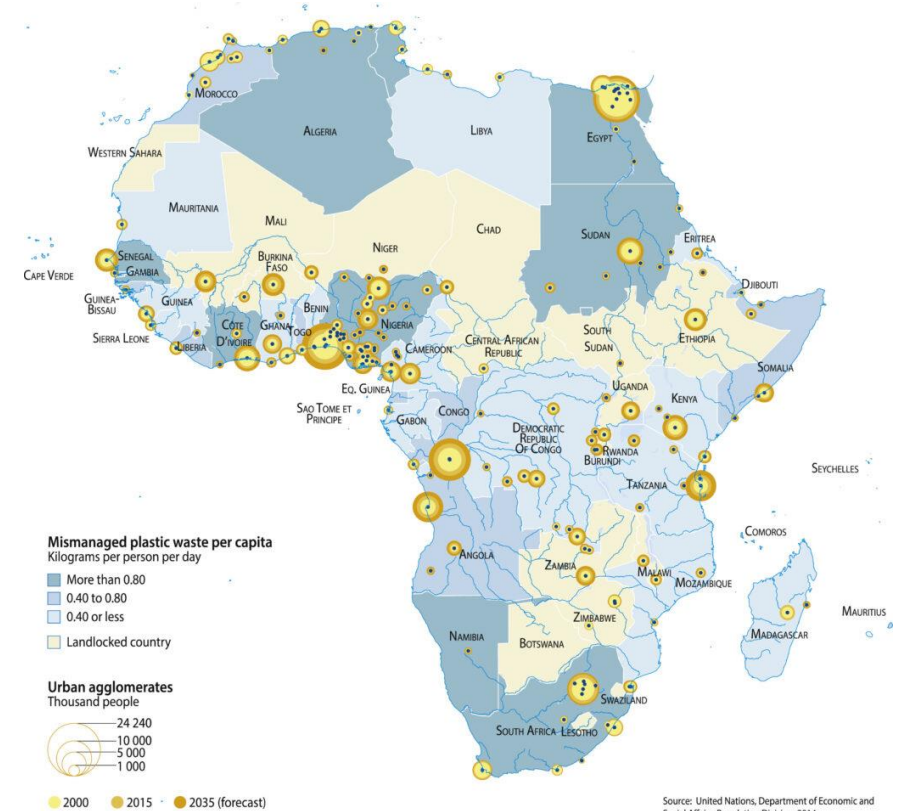
Financing Blue and Circular Economies in Africa

**LINKING CIRCULAR, BLUE AND NATIONAL PRIORITIES
TO LEVERAGE FINANCE**



Why connect the Blue and Circular Economies in Africa ?

- **Shared principles:** Promote resource efficiency, regenerate ecosystems, and support prosperity within ecological limits.
- **Ocean–land connections:** Recognize that waste affects oceans, while healthy oceans sustain communities and economies.
- **Strategic fit:** Prioritize investments that deliver multiple social, economic, and environmental returns, especially in debt-constrained economies.
- **Sustainable pathways:** Developing a circular blue economy ensures that ocean-based sectors (fisheries, tourism, shipping, energy) grow sustainably, reduce waste, and strengthen resilience.



Unlocking Finance by linking Circular Economy and Blue Economy to National Priorities



Job creation: CE generates employment in recycling, repair, renewable energy, etc. ; BE expands jobs in fisheries, aquaculture, eco-tourism, etc.



Youth and women inclusion: CE and BE sectors create accessible entry points for women and youth employment.



Food security: CE reduces loss along agricultural chains ; BE sustains fisheries and coastal ecosystems that provide nutrition.



Climate resilience: CE lowers emissions and waste; BE protects coastal buffers, mangroves and supports adaptation.



Regional integration and trade: CE supports secondary material flows; BE promotes blue value chains and cross-border fisheries management.



Industrial transformation: CE promotes innovative resource-efficient industries; BE fosters innovation in frontier technology (marine biotech, sustainable shipping, etc.)

Why isn't finance flowing to Blue and Circular Economies?

Blue Economy financing challenges

- Fisheries & aquaculture seen as **risky / low return**
- Coastal protection & marine conservation = public goods → **hard to monetize**
- **Limited** insurance, risk-pooling & maritime **finance instruments**
- Infrastructure (ports, shipping) dominated by traditional models, not sustainable ones

Circular Economy financing challenges

- **High upfront costs** for waste, recycling, industrial efficiency
- Many CE sectors are **informal** → excluded from formal finance
- **Long payback periods** → unattractive for short-term investors
- **Few incentives** (tax, subsidies, etc.) to shift investment flows



Creating an Enabling Environment for Circular Economy and Blue Economy Finance

- **Reform subsidies and incentives:** Gradually remove harmful subsidies and reallocate them toward activities that strengthen circular and blue economies.
- **Sustainable public procurement:** Leverage government purchasing power to drive markets for sustainable, circular, and ocean-friendly goods and services.
- **Fiscal and regulatory alignment:** Use taxes, standards, and targeted incentives to steer investment into CE and BE sectors while discouraging unsustainable practices.
- **Sustainable finance taxonomies:** Establish clear and harmonized definitions of what counts as circular or blue investments, boosting investor confidence and reducing greenwashing risks.
- **Institutional coordination:** Create mechanisms that connect finance, environment, industry, and planning authorities to ensure coherent policy frameworks.
- **Capacity building and awareness:** Equip SMEs, communities and financial actors with the skills and knowledge to innovate and engage in CE and BE markets.
- **Research and innovation:** Invest in applied research, technology transfer, and regional knowledge hubs to accelerate scalable solutions.

Example of some available Financial Tools to Leverage CE & BE Finance in the context of African Island States

- **Blue & Green Bonds** – Mobilize large-scale capital for sustainable infrastructure (marine protection, recycling, renewable energy); investor confidence strengthened through clear standards and taxonomies.
- **Debt-for-Nature Swaps** – Convert sovereign debt into domestic investments in conservation, sustainable fisheries, and circular economy projects.
- **Public–Private Partnerships (PPPs)** – Leverage private capital and expertise to co-finance CE & BE infrastructure (ports, recycling plants, renewable desalination).
- **Blended Finance & Targeted Grants** – Combine concessional and commercial funding to de-risk early-stage innovations, SMEs, and pilot projects.
- **Guarantees for Local Banks** – Lower risks for lending institutions, enabling women- and youth-led enterprises to access affordable credit.
- **Regional CE & BE Fund** – Pool resources from donors, governments, and private investors; provide harmonized eligibility and scale financing across borders.



Data: The Key to Unlocking CE & BE Finance

- **Track** material & resource **flows**
- **Quantify** cost of inaction
- **Demonstrate impact** of CE/BE projects to attract financing and **scale successful projects**
- **Reduce investment risk** & increase bankability
- Enable **policy coherence**, monitoring, and evaluation



A large, weathered wooden boat with blue and brown paint is beached on a sandy shore. The boat is oriented horizontally, with its bow on the left and stern on the right. The blue paint is peeling and faded, revealing the dark brown wood underneath. The boat is tied to the sand with yellow and green ropes. In the background, the ocean stretches to the horizon under a clear blue sky. A small, tree-covered island is visible on the right side of the horizon.

Thank you!



United Nations
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for Africa